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AN HISTORICAL REVIEW OF
STUDIES OF THE INTELLIGENCE COMMUNITY
FOR THE
COMMISSION ON THE ORGANIZATION OF THE
GOVERNMENT FOR THE CONDUCT OF FOREIGN
POLICY

December 1974

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PREFACE

This report is a review of a number of major studies of the
intelligence community made since the Joint Study Group Report of
1960. This report was selected as the starting point, because it had
a major impact on the evolution of the intelligence community. One
of its more significant results was the creation of the decline in the
power and independence of the individual Service intelligence agencies.
Moreover, institutions, relationships and distributions of responsibility
of the pre-1960 period bear little resemblance to those that have evolved
since that time.

The intelligence community is almost continuously under
review or examination. Hardly a year has passed since 1960 without
a major study of some aspect of intelligence activities being undertaken.
Sixteen such reports have been selected for this review as being sub-
stantively significant, or particularly effective in bringing about
improvement or advancing organizational evolution. The observations
and recommendations of these sixteen reports have been assembled
around a number of recurring topics and concerns. In this regard,
one cautionary note seems appropriate: The cumulative impact of this
review is necessarily more negative than the intelligence community's
record of achievement would warrent, because the source materials
used naturally tend to address what is wrong rather than what is right
with intelligence activities.

The individual reports themselves have been condensed, but
with all major points and recommendations preserved, and these are
attached as annexes to this study.

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SUMMARY

The basic authority for the intelligence community is the
National Security Act of 1947, which has itself been elaborated upon
seven times since by National Security Council Intelligence Directives
(NSCID's). The most comprehensive is NSCID-1, which delineates the
Director of Central Intelligence's Basic Duties and Responsibilities.
The latest version of NSCID-1, which was revised in accordance with
the President's Directive of November 1971, lays the groundwork for
the DCI to assume a greater role as leader of the intelligence com-
munity, a development recommended by all major classified reviews
of the community organization since 1960. These reports are virtually
unanimous in stating that the DCI should not be physically separated
from CIA in performing his community duties. An intelligence com-
munity staff drawn from all the intelligence agencies has been consistently
recommended over the years, but little was done along this line until
it was unequivocally directed by the President in 1971.

The United States Intelligence Board's functions and member-
ship have been commented on frequently and usually not too favorably
in terms of enchanced·management of the community. USIB's expertise
in substantive matters is effectively recognized in the President's 1971
Directive, which establishes the Board as one of two advisory bodies
to the DCI, with the Intelligence Resources Advisory Committee (IRAC)
being created to assume the responsibility for resource management.

The concentration under the Secretary of Defense of about
80 per cent of all intelligence resources made the establishment of the
DCI's role in resource management for the community rather problematical.
Despite the President's Directive charging the DCI with preparing a
consolidated intelligence program budget for all intelligence activities,
including tactical, he is not yet fully in control of the situation. A
community resource management body was recommended in several
reports, particularly as resources became more limited and hard
choices as to program direction had to be made. A number of proposals
were made over the years and the establishment of IRAC was intended
to give the DCI the ability to carry out his community management
responsibilities.

A single Defense intelligence authority has been sought since
the Joint Study Group Report of 1960. Successive reports have variously
proposed this role for the JCS, DIA and in the late 1960's for a new

official with a close relationship with the Secretary of Defense--first
as a Special Assistant, then as a part-time task for the Assistant
Secretary of Defense for Administration, and finally for the Assistant
Secretary of Defense for Intelligence. A single Defense intelligence
agency has also been repeatedly proposed, first as a function of the
JCS, then as DIA, and then (after DIA ssemed unable to assume all
intelligence tasks and the Service intelligence agencies regained many
of their prerogatives) as a new and powerful Director of Defense
Intelligence or other new institutional creations. The President's
Directive of 1971, however, retained DIA as the prime Defense
intelligence agency.

Fragmented Defense resource management received frequent
mention and several suggestions aimed at curing the situation were made.
Nevertheless, centralized reviews of Defense resource allocations
did not begin until 1970, and only began to be done effectively when the
office of the Assistant Secretary of Defense for Intelligence was created
in 1972.

Long-range resource planning was advocated repeatedly in
many reports. It is still in the earliest stages of development and
was not singled out as a specific task for the DCI by the President's
Directive of 1971. Cross-program review of resources, also frequently
referred to, has fared somewhat better, but it also is at an early
stage of implementation as far as cost/effectiveness techniques for
cross-program evaluation are concerned. At present, the review
process centers on specific resource issues; true comparative
evaluation across several programs is yet to be achieved.

Central management and control of tactical intelligence
resources has been hampered by continuing disagreements over criteria
for determining what is tactical intelligence, what is national intelli-
gence and what is force support intelligence, and thus properly organic
to the commands. Tactical intelligence resources have been estimated
at about one-third of the budget of national intelligence resources.
The President's Directive clearly charges the DCI with responsibility
to include these resources in his consolidated intelligence budget,
but the means to do so are yet to be worked out.

The contest between the National Security Agency (NSA) on
one hand and the JCS bolstered by tactical forces on the other for con-
trol of certain Sigint resources, primarily in the electronic intelligence
field, attracted attention of several review groups, particularly during
the Vietnam War. Most of the reports recommended that NSA retain

control over such Sigint resources and that if such resources were
needed by tactical commanders, they be budgeted for as part of the
tactical force budget, but nevertheless not be denied to national
intelligence users.

Intelligence activities of the Department of State have
figured relatively little in the reports reviewed. Concern over the
need for a national photo-intelligence center, found in reports in the
early 1960's, has disappeared with the establishment of NPIC. Worry
then turned to NPIC's ability to handle the workload as imagery
satellites became more effective and the "take" increasingly abundant.

The disarray of community intelligence requirements is
mentioned a number of times, notably in the Cunningham Report of
1966. In the absence of consumer guidance as to the most important
matters, analysts tend to cover all bets by issuing requirements
for much more information than was likely to be needed, or in fact
could ever be used. The President's Directive gave the DCI, as
one of his four major responsibilities, that of reconciling require-
ments and priorities within budgetary contraints and charged the
USIB to advise him in this regard.

Relatively little space in this report is devoted to collection
questions. Reviews and inquiries into various collection systems
have been numerous, but are generally too specialized and narrow
in scope to qualify for consideration by the Commission. The
important matter of evaluating the effectiveness of collection as a
whole is noted, but the difficulty of tying good information to the
sources that produced it has apparently made any systematic approach
to this process uncertain and imperfect.

Many reports, particularly in the mid-1960's, referred to
the information explosion as a major problem. Technical collection
advances were creating floods of information with no proportional
increase in the analytical capacity to exploit it. The Schlesinger
Report in 1971 pointed to the great increase in information collected
by technical means, but noted that there had been little progress in
developing human sources with access to foreign intentions, doctrines
or political processes. Improvement of the analytical functions and
the overall relevancy of the intelligence product was likewise of
considerable concern, and many reports addressed it. The President's
Directive described the need for product improvement as urgent and
established the NSC Intelligence Community (NSCIC) as a consumer

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forum to give direction and guidance on production and to evaluate the usefulness of intelligence reports. Both this directive and President Ford's letter of October 1974 placed specific responsibility on the DCI to assure that national intelligence is of the highest quality to support foreign policy and military operations.

Few topics received as much attention in the reports as the need for consumer guidance to increase the pertinence and effectiveness of community activities. Several reports pointed to the fact that, in the absence of this guidance, the community was talking to itself, producing against its own requirements and operating with scant reference to what policy makers really needed. Both the Schlesinger Report and the President's Directive called for better consumer representation in community deliberations, and the NSCIC was set up to bring this about.

As to the Clandestine Services and covert action, the general finding of the reports that dealt with these subjects was that existing control and supervision over covert operations was adequate and that the imposition of further outside review authorities only carried the additional risk of disclosure without adding any important safeguards. The reports were also strongly opposed to separating the Clandestine Services from CIA or to spliting off the covert action function.

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A. The Direction of the Intelligence Community

1. The Basic Authority

The organic law of the intelligence community is contained in the National Security Act of 1947, as amended. Section 101 established the National Security Council to advise the President with respect to the integration of domestic, foreign and military policies relating to the national security.

Section 102 established the Central Intelligence Agency under the National Security Council (NSC) to be headed by the Director of Central Intelligence (DCI), with a Deputy Director of Central Intelligence to act for the DCI in his absence or disability.

Section 102 further stipulates that it shall be the duty of the Agency (the Central Intelligence Agency), for the purpose of coordinating the intelligence activities of the several departments and agencies and under the direction of the NSC, to:

--advise the NSC concerning such intelligence activities as relate to national security;

--make recommendations to the NSC for the coordination of such intelligence activities;

--correlate and evaluate intelligence relating to the national security and provide for the dissemination within the government, provided that the departments and other agencies shall continue to collect, evaluate, correlate and disseminate departmental intelligence, and provided that the DCI shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;

--perform for existing intelligence agencies such additional services of common concern as the NSC determines can be more efficiently accomplished centrally.

To the extent recommended by the NSC and approved by the President, intelligence of the departments and agencies shall be open to inspection by the DCI and shall be made available to the DCI for correlation, evaluation and dissemination.

The recognition in Section 102(d)(3) of the Act of departmental intelligence as continuing to be provided by the several existing departments and agencies has had lasting impact on the role of the DCI in coordinating the intelligence activities of the government. At the very least, the acknowledged responsibility for departmental intelligence has permitted the various intelligence services and agencies to continue to operate collection, processing and production systems for their own needs, leading to duplication, contrasting views on situations, and a continuing resistance to any central authority.

The provision that the DCI may inspect intelligence of the departments and agencies, though limited by implication to substantive matters, has tended over the years to be extended beyond substance to management and lately to resource matters, and in effect constitutes the basis for the DCI's survey power.

The National Security Council, in order to regulate and direct the intelligence activities of the government, has issued National Security Council Intelligence Directives (NSCID's) establishing basic policy for certain classes of intelligence activities. The number of NSCID's and their provisions have changed from time to time, but the present list of them is as follows:

NSCID-1	Basic Duties and Responsibilities
NSCID-2	Coordination of Overt Collection Activities
NSCID-3	Coordination of Intelligence Production
NSCID-4	The Defector Program
NSCID-5	U.S. Espionage and Counter Intelligence Activities Abroad
NSCID-6	Signals Intelligence
NSCID-7	Critical Intelligence Communications
NSCID-8	Photographic Interpretation

The NSCID's are further particularized and interpreted in a series of Director of Central Intelligence Directives (DCID's), related by number to the NSCID's from which they derive, which form the basic documentary means of coordinating the intelligence community, covering as they do in aggregate the greater part of the community's varied activities. Most of the current NSCID's and DCID's were last revised in 1972, so they are relevant to present-day organizations and functions. Efforts are under way to develop a single omnibus NSCID to incorporate the provisions of existing directives.

The most far-reaching of the NSCID's is NSCID-1, Basic
Duties and Responsibilities. The current version, dated Feb-
ruary 17, 1972, directs the DCI to coordinate the foreign intelli-
gence activities of the United States; establishes the National
Security Council Intelligence Committee to give direction to
national substantive intelligence and provide consumer evalua-
tion of the products; and directs the DCI to plan, review and
evaluate all intelligence activities and the allocation of all
intelligence resources, to produce national intelligence, to
chair advisory boards and committees, and to establish and
reconcile requirements and priorities within budgetary con-
straints. The DCI is also charged to prepare and submit a
consolidated intelligence program/budget, to issue DCID's as
appropriate, to formulate policy on arrangements with foreign
governments on intelligence matters, to review security stan-
dards and practices, and to make such surveys of departmental
intelligence activities as he may deem necessary to his responsi-
bilities to the NSC. The directive goes on to establish the
Intelligence Resources Advisory Committee (IRAC) to advise
the DCI on the intelligence budget and the allocation of resources;
to restructure the United States Intelligence Board (USIB) and define
more explicitly than before its responsibilities to the DCI; to
define national, departmental and interdepartmental intelligence;
to stipulate roles in the protection of intelligence sources and
methods; and, for the first time, to define the community respon-
sibilities of the DCI.

2. The Director of Central Intelligence as Community Leader

As a result of the President's Directive of November 1971
and under the revised NSCID-1 of February 1972, the DCI is
charged to seek the attainment of the following objectives as
essential to the efficient and effective functioning of the intelli-
gence community:

      --continuing review of the responsiveness of the
         U.S. intelligence effort to national requirements;

      --assurance of authoritative and responsible leader-
         ship of the community;

      --achievement of more efficient use of intelligence
         resources;

      --review and revision of intelligence functions and
         elimination of inefficient or outmoded activities;

      --improvement in the quality, scope and timeliness
         of the community product;

      --enhancement of U.S. policy through the provision
         and use of national intelligence

NSCID-1 as presently written is a major expansion and definition of the role of the DCI as community leader. A number of reviews of the intelligence community have addressed the leadership role of the DCI over the years.

The Joint Study Group Report of 1960 observed that there was no common understanding of how to achieve coordination, that the role of the DCI and of CIA in coordination lacked clarity, and that there was considerable confusion as to how the DCI was to operate. The report noted that coordination could be construed as either command or persuasion and that it could be carried out through leadership in new intelligence programs, identification of new problem areas, investigation of problems under the right to survey intelligence activities, and the solution of problems by agreed cooperation under the leadership of the coordinator. Even in 1960 the Joint Study Group was urging a stronger management role on the DCI and recommended that he act to achieve more effective community coordination through "command channels." This recommendation was approved by the NSC.

In 1968 the Eaton Report urged the DCI to make authoritative and consistent determinations as to the validity of requirements in relation to the costs of meeting them and the effectiveness of resources in satisfying intelligence needs. The broad guidance needed from the DCI could be in the form of a proposed National Intelligence Plan setting forth objectives, targets and priorities for the Secretary of Defense, the community and program managers so that resources would be available to respond to present and foreseeable requirements.

In 1969 the Bross Report, addressing the community role of the DCI, observed that both President Kennedy (January 16, 1962) and President Johnson (September 24, 1965) had characterized the DCI as the "principal intelligence officer of the government" and had directed the DCI to act as the leader of the intelligence community as his primary task.

The Schlesinger Report in March 1971 proposed three options for the creation of a leader of the community who would control intelligence resources, manage most resources, and coordinate resources appropriated elsewhere. The first option was a Director of National Intelligence who would control all major intelligence resources, leaving the Defense Department only the tactical. The second option was a Director of Central

Intelligence who would preserve the roles and missions of the
DCI at that time, except for the responsibility for a consolidated
intelligence program and budget. The third option proposed a
Coordinator of National Intelligence as an NSC or White House
overseer with emphasis on resource management, consumer
needs and output evaluation.

President Nixon's Directive of November 5, 1971, was
based on the second Schlesinger option and stated: "I am
directing the Director of Central Intelligence to assume leader-
ship of the community in planning, reviewing, coordinating and
evaluating all intelligence programs and activities, and in the
production of intelligence. I shall look to him to improve the
performance of the community, to provide his judgments on the
efficiency and effectiveness of all intelligence programs and
activities (including tactical intelligence), and to recommend
the appropriate allocation of resources to be devoted to intelli-
gence." NSCID-1 of February 1972 was written to implement
the President's Directive.

President Ford, in his October 9, 1974, letter, reaffirmed
the responsibilities charged to the DCI as "leader of the intelli-
gence community."

3. **The Separation of the DCI from CIA**

From time to time proposals have been made to separate
the DCI from the agency which he heads, usually on the grounds
that to do so would enable him to play a more active role in
managing or directing the community. Such an idea appears in
the Joint Study Group Report of 1960, the Bross Report in 1969
and the Schlesinger Report of 1971, but is by no means confined
to these references. The studies covered in this review have
come out against such a move, but the idea reappears almost
every time the scope of DCI powers are under discussion.

The Joint Study Group of 1960 observed that it was possible
to separate the DCI from CIA with a small community staff or
with a larger group to carry on the estimating of current intelligence
and planning functions as well. It was noted that such a move
would require a change in existing legislation and, moreover,
would deny the President one man to look to for substance as
well as covert action and could lead to the formation of a large
DCI staff duplicating much of what CIA could provide. The
Defense member of the Study Group, contending that DCI coordina-

tion was not working, suggested immediate separation. The
other members preferred trying the idea of a community staff
for the DCI drawn from all community agencies to handle
coordination problems before so drastic a step was taken. Such
a staff was not formed, however, and the idea of separating the
DCI from the Agency for more freedom to coordinate the com-
munity persisted.

During the staff discussions in the preparation of the Eaton
Report of 1968, the idea reappeared in the novel suggestion that
the DCI be separated from CIA so that he could exercise cen-
tralized authority over both CIA and NSA, effectively insulating
the latter from encroachments it was then experiencing from
the Services and the Joint Chiefs of Staff (JCS). This suggestion
did not surface in the final Eaton Report.

The Bross Report in 1969 referred to the proposals to
separate the DCI from the Agency and establish him as over-all
coordinator in the Executive Office Building and observed that
any such move would create a substantial legal problem in view
of the National Security Act of 1947, clearly establishing the
DCI as the head of CIA. Moreover, Mr. Bross said such a
move would mean the dismemberment of elaborate arrangements
in CIA to support the DCI in the production of national intelligence.
In addition, to function as coordinator, the DCI would need a
substantial staff for support of national functions which would
clearly be too large to fit in the Executive Office Building.
Without such back-up, it would be impossible for the DCI , as
the "principal intelligence officer" to "authenticate the signifi-
cance of substantive developments or the value of resource
programs and activities. "

The third option in the Schlesinger Report in 1971 for a
leader of the community posed a Coordinator of National Intelli-
gence in the NSC or White House staff structure. Schlesinger
noted that such a position would not require legislative action,
but could lead to unproductive competition between the Coordinator
and the White House staff and would be less likely than the other
options to accomplish the improvements in product and resource
economies the President was seeking.

The President's Directive in November 1971 in selecting
Schlesinger's second option--a DCI with much the same as his
existing authorities--implicitly rejects the separation of the DCI
from CIA. The Directive states that the DCI must delegate

direct authority to the Deputy Director (as far as is possible without legislation) for the plans programs and day-to-day operations of CIA and must assume overall leadership of the community. Much the same enjoinder was made by Presidents Kennedy and Johnson.

4. The DCI's Community Staff

As an alternative to separating the DCI from CIA, the Joint Study Group in 1960 recommended the formation of a DCI staff drawn from the entire community. The Study Group took account that the then Coordination Staff of three, headed by General Lucien K. Truscott and charged to coordinate the community through revising NSCID's and DCID's, was regarded elsewhere as part of CIA and did not meet the need for a management unit to support the DCI in coordination apart from the help of the Office of National Estimates and the CIA Directorates. The Group Report recommended a full-time staff of professionals, loyal to the community at large and solely responsible to the DCI to assist him through use of the survey powers provided in NSCID-1.

In 1962 the Kirkpatrick-Schuyler-Coyne Report noted the then current plan to abolish the DCI's Assistant for Coordination (held by General Truscott) and to replace it with a post designated as the Assistant for Coordination and Community Guidance. The Report recommended this office be responsible for representing the DCI in contact with senior intelligence officials, developing Signit policy, reviewing community efforts in support of national policy, and reviewing CIA efforts as they related to the community's efforts. The Report further recommended that the group be staffed with senior professionals since problems hitherto defying solution would need to be confronted.

The position of Deputy to the DCI for National Intelligence Programs Evaluation (NIPE) was established in 1963 under John Bross with a staff larger than General Truscott's and with similar responsibilities. Personnel were entirely from CIA, so a community character for the staff was not established, although it began to move outside CIA into community problems.

The Eaton Report in 1968 urged the DCI to consider not only broadening the functional scope, but also strengthening the representation of the military and civilian intelligence community on the staff (NIPE) which assists him in discharging his national

planning and program guidance responsibilities. It recommended the inclusion for extended tours of senior military officers, Foreign Service Officers and others with appropriate expertise, and noted that such a staff structure would contribute to more objective planning and evaluation; ensure the needs of the military would not be overlooked; and raise confidence in the proposed National Intelligence Plan and short-term program guidance.

The Bross Report of 1969 recommended that the NIPE staff be expanded and its mission clarified. The staff should have the authority to deal with all components in the CIA, support the newly created National Intelligence Resources Board (NIRB) (set up to advise the DCI on resource issues), hold custody of the Target Oriented Display (developed to relate costs of resources to their substantive targets), represent the DCI in Defense program reviews, produce long-range intelligence plans, provide systems analysis support to the DCI and maintain relations with the President's Foreign Intelligence Advisory Board (PFIAB). Bross also asked that the chairmen of USIB resource-related committees be placed on the NIPE staff. In the next three years, the NIPE staff grew slowly, but still drawing its people from CIA, except for a National Security Agency (NSA) representative added in 1972.

In 1971 the Schlesinger Report observed that, although the DCI had established a NIPE staff and the NIRB, efforts at management through these institutions were being resisted and their contribution to the DCI's authority was small. Schlesinger believed the DCI's staff should at least have program and budget authority over resources; control over allocated resources; supervision of R&D; inspection of program operations; and the review, if not the original production, of national intelligence estimates and net assessments.

The President's Directive of November 1971 instructed in unequivocal terms the formation of an increased and restructered personal staff for the DCI to assist him in carrying out his responsibilities as coordinator and in playing a major role in the resolution of major issues.

When Mr. Schlesinger became the DCI in February 1973, one of his first actions was to transform the NIPE staff into the Intelligence Community staff and to man it with a much larger proportion of officers assigned from Defense, notably from DIA, and from outside the community.

5. <u>The Role of the United States Intelligence Board</u>

The United States Intelligence Board, previously called the Intelligence Advisory Committee, was set up by the first NSCID-1 with the DCI as its chairman. The latest (February 1972) version of NSCID-1 sets forth USIB's responsibilities as being to advise and assist the DCI with respect to the establishment of appropriate intelligence objectives, requirements and priorities; the production of national intelligence; the supervision of the dissemination and security of intelligence material; the protection of intelligence sources and methods; and, as appropriate, policies regarding arrangements with foreign governments on intelligence matters.

The Joint Study Group in 1960 noted that USIB was primarily a deliberative body emphasizing estimates, but by no means devoting equal time to its coordinating responsibilities. It had failed to produce an overall program to guide the community, and problems before the Board were all too frequently merely noted or referred to a committee. The Joint Study Group Report recommended that USIB have a management mechanism for problems involving several parts of the community, and these problems should be carefully screened before coming before the Board. The NSC proposed that the screening and management role be assigned to the DCI's Assistant for Coordination, a measure which failed to be carried out.

Other reviews of the community during the 1960's touched rather lightly on USIB matters, generally observing USIB's inability or reluctance to deal with resource matters and the fact that USIB requirements would require more resources than were currently available to cover the needs--and the resources themselves were under pressure for reduction.

The Schlesinger Report was quite emphatic in describing the USIB as ineffective, because it was a collection of equals; it was dominated by producers and some collectors who avoided criticizing each other; its requirements could mean all things to all collectors and failed to control collection; and it had no consumer representatives as members and so could not reflect consumer guidance. After noting these deficiencies, the Schlesinger Report merely noted, without any specific proposals, the possible need to restructure the Board or perhaps to replace it or add to it a Consumer Council to provide consumer representation in community discussions.

The President's Directive in November 1971 directed
that USIB be reconstituted under the DCI's chairmanship to
serve as one of the two major community committees to advise
the DCI--one for production and requirements (USIB) and one
for resource allocations (IRAC).

In addition to USIB functional problems, the membership
of USIB has come in for comment from time to time. The
Joint Study Group in 1960 objected to the preponderance of
military members, with the three Services and the JCS each
a member, and suggested a reduction to four members--the
DCI, State, Defense and the JCS, with the FBI and AEC
represented when their interests were affected. The creation
of the Defense Intelligence Agency (DIA) in 1961 soon led to the
replacement of JCS representation and the downgrading of
Service representatives as observers; DIA represented Defense,
except for the National Security Agency.

The Fitzhugh Report of July 1970 concurred in this arrange-
ment in proposing to replace DIA with the suggested new Director
of Defense Intelligence as the only Defense member. The same
proposal appeared in the Schlesinger Report a year later.

The President's November 1971 Directive and the NSCID-1
of February 1972 established USIB membership as the DCI;
the Deputy Director of Central Intelligence (who had long
represented CIA); the Director of Intelligence and Research.
(State Department); and representatives of NSA, DIA, AEC,
FBI and Treasury. In addition, representatives of the Assistant
Secretary of Defense/Intelligence (ASD/I) and the National
Reconnaissance Office (NRO) are present for most USIB meet-
ings to participate in resource matters.

6. The Role of the Executive Committee

The Executive Committee for the National Reconnaissance
Office is now composed of the DCI, as chairman, the Assistant
Secretary of Defense/Intelligence and the Director of NRO, ex
officio. ExCom, as this group has come to be known, formerly
included the President's Scientific Advisor. Since this position
was abolished in 1972, there has been no channel for the intro-
duction into intelligence matters, even as technical as those
concerning the NRO, of scientific advice at a level to draw on
the best such information as can be made available. ExCom is
also frequently attended by observers from the State Department,

CIA, NSC, DDR&E of Defense, and the Office of Management
and Budget (OMB). The ExCom meets three or four times a
year, in close tie with the budget cycle, and concerns itself
mainly with planning R&D, procurement and deployment prob-
lems of the U.S. overhead reconnaissance effort.

The ExCom was established in 1965 after a series of
differences between the Air Force and CIA over roles and
missions in overhead reconnaissance, which were accommodated
to some degree in an agreement of August 1965.

The Long-Range Plan of CIA in 1965 urged strong DCI-
USIB direction of overhead reconnaissance, in view of the fact
that such systems lent themselves to quite direct guidance, in
order to maintain some control over the large costs of overhead
collection. The National Reconnaissance Program is still con-
ducted as to missions and targeting in response to direction
from USIB through committees of Comiree (The Committee on
Imagery Reconnaissance and Exploitation).

The Eaton Report in 1968 called for close NRO-NSA
collaboration to eliminate marginal overhead Signit collection
systems and to determine if some conventional electronic
intelligence (Elint) collection, then covered from ground
stations, might be better done by satellite. The Bross Report
in 1969 suggested that thought be given to improving means to
insure that allocations of responsibility and funds for overhead
reconnaissance research be as equitable as possible between
CIA and the Air Force. This matter continues as a major con-
cern of ExCom.

The Froehlke Report in 1969 proposed an Executive
Council for Defense Intelligence to either supersede or serve
in addition to the ExCom. Membership was to be the Deputy
Secretary of Defense, as chairman; the DCI, the President's
Scientific Advisor; the Chairman of the JCS; the Director of
Defense Research and Engineering (DDR&E); and the proposed
Special Assistant to the Secretary of Defense for Intelligence--
an expansion of ExCom membership at that time. The proposed
Council was to have broader powers than ExCom had over all
Defense resource programs as to level of effort, allocations
of R&D funds and responsibilities, program modifications,
and resource issues. The Froehlke proposal was not carried out
in this particular.

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The Schlesinger Report in 1971, for all the range of its coverage, virtually ignored the matter of ExCom and overhead reconnaissance except to observe that the transfer of all NRO assets to a single manager (instead of the split management between CIA and the Air Force) would save an estimated [   ] in 1972 and [   ] by 1975. No recommendation was made as to the identity of the "single manager." The President's Directive of 1971 simply noted that the present management structure of NRO should be retained, implicitly rejecting the single manager idea.

B. Selected Intra-Community Relationships

1. A Single DOD Intelligence Authority

Several reviews of the intelligence community--the Joint Study Group Report, the House Appropriations Committee Investigative Team Report, the Froehlke Report, the Fitzhugh Report and the Schlesinger Report, and others not covered by this review--have noted the need to put the much fragmented Defense or military intelligence activities under a single authority who would assign tasks to the Services or other Defense organizations.

The Joint Study Group in 1960 observed that, although the Defense Reorganization Act of 1958 was bringing about a stronger JCS, this was not curing management problems of Defense intelligence. The Study Group proposed revising NSCID's so as to assign responsibility for all military intelligence to the Secretary of Defense, who could then delegate specific tasks to the Services and JCS as he saw fit. The Secretary of Defense would thus serve as the authoritative focal point to maintain cognizance over resources and reduce waste and duplication.

The House Appropriations Committee Investigative Team (HACIT) Report in 1968 recalled that when DIA was established in 1961, it was intended to have responsibility for the overall management of all Defense intelligence assets, but that DIA had been unable to carry this out largely because the Services had not assigned to DIA officers trained in management and systems analysis.

The Froehlke Report in 1969 went back to the creation in 1953 of the position of Assistant to the Secretary of Defense (Special Operations) which had existed until the formation of DIA in 1961. This assistant was to have had sweeping powers to recommend policies, guide programming, review plans and programs, develop DOD positions on intelligence issues and recommend economies to the Secretary. In practice, the position was primarily concerned with NSA and in even this case was handicapped by the lack of clear-cut resource authority. Such powers as the position had were transferred to DIA, but DIA's preoccupation with substantive matters led to the atrophy of its assigned management responsibilities. Mr. Froehlke was thus led to recommend to the Secretary of Defense the appointment

of one individual as Special Assistant to the Secretary of
Defense to be responsible for intelligence resource management
and to advise the Secretary and Deputy Secretary on all other
intelligence matters. The Special Assistant would also be the
Defense management contact with the DCI, OMB, PFIAB and
other non-DOD intelligence organizations and would represent
the Secretary of Defense in such discussions. As to the size
of the Special Assistant's staff, Mr. Froehlke offered three
options, the last so large as to threaten to invoke Congressional
disapproval; but, as Froehlke noted, the staff should be at
least large enough to do something about the fragmentation
of the Defense intelligence community. Mr. Froehlke believed
that the Special Assistant task would not be a full-time one,
and he was subsequently assigned most of the responsibilities
he proposed as additional duties to his position as Assistant
Secretary of Defense/Administration. The nucleus of the
present ASD/I organization was formed.

The Fitzhugh Report of 1970 echoed Mr. Froehlke's
recommendations in calling for a single individual to represent
the Secretary of Defense in dealing with other intelligence
agencies and to coordinate and direct all intelligence activities
in Defense. This position was to be a full-time Assistant
Secretary of Defense for Intelligence, replacing the Assistant
Secretary for Administration.

The Schlesinger Report, a year later, likewise noted the
lack of central management of Defense intelligence activities
and the fact that the ASD/A was ineffective in this role because
he could not control all Defense intelligence programs and was,
besides, preoccupied with administrative concerns. Schlesinger
supported the Fitzhugh recommendation for a full-time ASD/I
as a second alternative to an even more powerful Director of
Defense Intelligence with control over all intelligence activities
and resources, including tactical, and with clear-cut authority
to speak for the Secretary of Defense in all intelligence matters.

The President's Directive of 1971 did not address directly
the need for a single intelligence authority in Defense, but did
note that intelligence collection, largely managed by Defense,
must come under more effective management and closer coor-
dination with other intelligence programs.

After 14 years of perceptions of the need, a strong
central authority for Defense intelligence is emerging in the
form of the Assistant Secretary for Intelligence. Although a
number of intelligence and intelligence-related activities are
carried on by DDR&E, Systems Analysis, DIA and the JCS,
much of the fragmentation is being reduced by the authority
of the ASD/I.

2. A Single Defense Intelligence Agency

Closely related to the matter of a single authority over
Defense intelligence activities has been the question of a single
intelligence agency in Defense. The Joint Study Group tenta-
tively suggested that integration of the Service intelligence
activities might be helped by the establishment of a single
intelligence service for Defense, even though the special
expertise of the Services would still be needed. The implica-
tion in the Study Group Report was that the JCS, gaining
authority since the Defense Reorganization Act of 1958, might
be that single service. This one offhand suggestion is pointed
to as the origin of DIA, which was established shortly there-
after in 1961.

The effort to centralize Defense intelligence activities
seems to have been left to DIA to work out for several years
after it was formed. The HACIT Report in 1968 noted that,
while DIA was originally intended to produce all finished
intelligence for all Defense components and for national level
production, it had become so overloaded that much of its basic
work was being subcontracted back to the Services while DIA
was trending toward becoming more of a manager of production
than a producer. As for the Service intelligence organizations,
they had nearly doubled in personnel since DIA was formed.

By 1969 it appears to have been generally recognized
that the DIA solution was not enough, and a more powerful
central authority was needed. The Froehlke Report called
for a Special Assistant to the Secretary of Defense, but did
not mention DIA as such. The Fitzhugh Report in 1970 proposed
a second Deputy Secretary of Defense for Operations (requiring
a legislative change) and under him an ASD/I with the additional
title of Director of Defense Intelligence (DDI). This official
would be the Defense representative on USIB; direct and control
all Defense intelligence activities not organic to combat forces;
review all intelligence programs and recommend resource

allocations; review and evaluate requirements for collection
and production and evaluate the products; conduct periodic
evaluations of Defense intelligence processes; review and
consolidate intelligence R&D; and develop procedures to protect
sources and methods. Under the DDI there would be a Defense
Security Command controlling all Defense collection activities
not organic to combat forces, and a Defense Intelligence
Production Agency to replace DIA. The latter would provide
current intelligence, threat assessments, finished intelligence
and estimates, and would manage and coordinate all Defense
intelligence production, including that organic to combat forces.

The Schlesinger Report in 1971 supported the Fitzhugh
recommendations for a Director of Defense Intelligence in control
of all intelligence production and resources and offered a less
powerful ASD/I as a second option. The President's Directive
in November 1971, however, called for the retention of DIA,
which was to be fully responsive to the JCS for support of
military planning and operations.

3. The Authority of NSA Versus the Military

The position of NSA and its Director vis-a-vis the JCS
has been a recurring concern in several of the reports covered
in this review--in the Joint Study Group Report, the Eaton
Report, the Bross Report and the Fitzhugh Report. The core
of this issue has been control over collection resources, largely
for electronic intelligence (Elint) purposes.

The Joint Study Group Report in 1960 expressed doubt
that the major portion of Elint resources should be in the Unified
and Specified Commands (U-S Commands), a situation which
worked against unified control of U.S. Sigint activities, but also
noted that dynamic and aggressive leadership on the part of the
Director of NSA (D/NSA) was needed to handle the problem. NSA
was being adversely affected by the concept of partnership with
the Services, and more and more of NSA's authority was being
exercised by the military departments and the Service Cryptologic
Agencies (SCA's). The Study Group reemphasized that it was
NSA's responsibility under NSCID-6 to develop an effective,
unified organization and to control the activities of the SCA's,
if necessary with the help of the Secretary of Defense to enjoin
full cooperation by the military departments. The Report
recommended the Secretary of Defense move to place more of
the Elint resources under NSA and to review the partnership
concept so as to strengthen the authority of the Director of NSA
over the SCA's.

Aggravated by progressive take-overs of Sigint resources
budgeted for NSA but needed by the military (particularly during
the Vietnam War), the NSA-Services conflict surfaced in the
Eaton Report in 1968. This report noted the lack of confidence
between NSA and the Services as to each other's ability to
perform its share of complementary services; the Services
lacked confidence in NSA's ability to support military operations;
NSA was convinced that the Services would take over Comint
and Elint resources and deny them to national use. The prob-
lems of the Director of NSA were seen to derive from his lack
of access to the Secretary of Defense and others in Defense
with claims on Sigint resources; from Service directives to
the SCA's which ignored or overrode D/NSA's authority and
responsibilities; from the inadequacy of military representation
at NSA management levels; and from the physical isolation of
NSA at Fort Meade.

25X1

The Eaton Report recommended strengthening of the
authority of NSA over the SCA's; review by D/NSA of the SCA's
use of resources; and resistance to further military removal
of Sigint resources from NSA's control. The principle was
stated that, if military Elint resources were properly part of
a tactical force, they should be considered as organic to that
force as its weapons and should be budgeted for as such and
subjected to the same constraints as other force-related
budget items. "The fact that these resources will have to be
evaluated against other Service requirements should discipline
their acquisition in the face of budgetary and other limits."

In 1969 the Bross Report echoed the Eaton views and
called for the development of criteria by which resources could be
identified as either national or tactical, recommending that if in
doubt, the resources should be designated national. Bross also
agreed with Eaton that when resources were designated as
tactical, they should be removed from the intelligence program
in Defense-Program III and enter the general forces program-
Program II and there compete for funds with other general
force items. Froehlke commented on the NSA-Services prob-
lem only as a further illustration of the fragmentation of
intelligence activities and the need for an authority to resolve
the issue.

TOP SECRET

The Fitzhugh Report in 1970 seems to be the high point for the authority of the Director of NSA. As head of the proposed Defense Security Command (DSECC) the Director of NSA would "command all designated Defense collection and processing activities, delegating management as necessary." Implicitly, under such overwhelming authority, the SCA problem would disappear.

The Schlesinger Report in 1971 merely noted the disarray in Defense management where NSA was unable to control the SCA's to develop a coherent Sigint program and recommended establishing NSA as a truly national cryptologic service, consolidating the SCA's and saving [   ] in one year alone.

25X1

The Presidential Directive in 1971 called for a unified National Cryptologic Command under the Director of NSA to be established by Defense directive.

The concept of a Central Security Service (CSS) derives from Schlesinger's recommendation, and the Director of NSA has the CSS as part of his title. In practical fact, a CSS has never come about, and the staff set up for it has dwindled to about five people. Nevertheless, with this idea and the progressive Sigint withdrawal from overseas where the intercept stations were manned by SCA personnel, the power and independence of the SCA's are waning and a single national cryptologic service is becoming more of a possibility.

4. The State Department, the Foreign Service and Intelligence

There has been little mention of the State Department, its Bureau of Intelligence Research or the Foreign Service in the studies read for this review. The Joint Study Group commented that State and the Foreign Service seemed indifferent to intelligence and recommended that State place more emphasis on intelligence in indoctrinating field personnel. The Kirkpatrick-Schuyler-Coyne Report in 1962 only urged CIA to establish central coordination and control over contacts by Clandestine Service personnel with counterparts in State and drew attention to the perennial differences between State and CIA over cover positions abroad. The Shute Report in 1967 called on State to restore its membership in the National Indications Center to ensure political views were reflected in strategic warning analysis. The Katzenback Report of 1967 touches on

State in the course of an historical review of mechanisms
for reviewing and approving covert operations.

5. <u>A Single Photo Interpretation Center</u>

Although no longer a major source of dispute, the prob-
lem of the management and location of a national photo interpre-
tation center was addressed in several reports--the Joint
Study Group, Kirkpatrick-Schuyler-Coyne, the CIA Long-
Range Plan, the Shute and Bross Reports.

In connection with what was then called visual-aerial
collection, the Joint Study Group Report in 1960 noted that
CIA was developing a photo interpretation (PI) center in
collaboration with Army and Navy, and that another center
was under development at the Strategic Air Command. The
two centers would need to be brought together for the best use
of SAMOS photography, and the community had agreed that a
central PI facility should be established for quick, initial read-
out, with the interpretation and collateral data then going to the
agencies for more specialized interpretation. The question
was whether such a center should be in CIA or in Defense.
If the prime need were for strategic warning, Defense should
have it, particularly since Congress would be reluctant to
increase CIA's budget. In any case, the decision should be
reached through consultation between the DCI and the Secretary
of Defense and a new NSCID drawn up to reflect the decision
(subsequently NSCID-8).

The Kirkpatrick-Schuyler-Coyne Report in 1962 called
for USIB to review the workload at what had come to be called
the National Photo Interpretation Center (NPIC); it was doubtful
NPIC could keep up with the volumes of satellite photography
expected in the coming months and prompt processing was a must.

The Long-Range Plan of CIA in 1965 also noted that NPIC
was having its troubles with the information explosion and called
for a review of NSCID-8, particularly the provision for the
transfer of NPIC to Defense in wartime. It also noted that NPIC
personnel increases as projected would account for over half of
CIA's expansion over the next five years, but acknowledged that
more trained photo interpreters would be essential to keep up
with the flow of photography.

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The Shute Report on Strategic Warning in 1967 called
for closer integration of photography as a source of warning
information and suggested NIC-NPIC joint read-out teams
for specialized scanning in terms of crisis and the development
of a Reconnaissance Warning Survey as a guide to read-out
recognition of indications of hostilities.

The Bross Report in 1969 observed that, while NPIC
seemed appropriately located in the Directorate of Intelligence
in CIA, future developments might argue for a quasi-independent
status for it as a service of common concern as future imagery
collection expanded.

Neither the Schlesinger Report nor the Presidential
Directive in 1971 addressed NPIC as an issue.

C. Resource Planning and Management

1. The Authority of the DCI over Resources

The general authority of the DCI as community leader
has already been discussed. This section addresses the specific
role of the DCI with respect to the community's resources. This
role is much less clear and established than the DCI's position
as final substantive authority for the community's product. The
need for overall resource authority is of fairly recent origin; it
has emerged only as the upward growth of community budgets
has been halted and hard choices have had to be made on the
amounts and locations of reductions in allocations.

25X1

The Joint Study Group Report and others in the early and
mid-1960's are silent on resource authority and management,
but by the time of the Eaton Report in 1968, it was being proposed
that the DCI take a greater part in Defense resource decisions,
primarily by establishing general guidance, planning and com-
paring resource options to anticipated community needs.

The Bross Report in 1969 was the first of the studies used
in this review to include DCI responsibility in the resource area
as part of the coordination of national intelligence activities, the
responsibility being to ensure that resources produce the informa-
tion needed by policy makers. This report complained that no
mechanism existed to review and control the four large intelli-
gence resource programs in their entirety and that resource issues
were identified and decided so rapidly that the DCI was unable to
formulate his position as part of the decision process, particularly
in terms of the substantive impacts of resource choices. Bross
looked to the Target Oriented Display resource accounting system
and the National Intelligence Resources Board as means of keeping
in touch with issues and permitting the DCI to have greater influence
in program reviews.

Neither the Froehlke nor the Fitzhugh Reports, which were
concerned with the Defense Department, addressed themselves
to the DCI's role in resource management.

The Schlesinger Report in 1971 notes correctly that the
DCI's authority in resources had been minimal because he was
essentially a competitor for resources for Agency programs and
could expect little influence over the 85 per cent of the total

community resources which were under control of the Secretary
of Defense. NIPE and NIRB were of little value to the DCI, and
USIB was ineffective on resource matters. Schlesinger's options
for a stronger community leader clearly included control over
all resources in one case and a review function in the other by
means of a Consolidated Intelligence Program and Budget to be
presented to the President.

This view seems to be reflected in the Presidential Directive
of November 1971, which charged the DCI to plan and review all
intelligence activities and the allocation of all intelligence resources
through preparing a consolidated intelligence program budget
which would include tactical intelligence. President Ford, in
his letter of October 9, 1974, asked the DCI to continue to
exercise leadership by planning and reviewing all intelligence
programs and resources, including tactical intelligence, for a
consolidated program budget, considering the comparative
effectiveness of collection programs and relative priorities
among intelligence targets.

2. **A Community Resource Management Body**

. As is the case with all aspects of resource management,
there was little pressure to evaluate and control resource levels
and allocations while budgetary trends were climbing upward.
In the late 1960's rising manpower costs, increased cost and
complexity of collection systems and growing manpower figures
for community agencies ran into Bureau of the Budget, Presi-
dential and Congressional opposition, and the need became all
too apparent for some means of limiting the upward trend and
distributing available dollars where they would do the most good.

The Joint Study Group Report called on USIB to play a more
constructive role in community management and suggested that
agencies' intelligence programs be reviewed by USIB for con-
sistency and adherence to guidance before being submitted as
budget items. The report recognized that USIB as then con-
stituted would be unable to do this, but proposed that a manage-
ment group of senior officials from all the agencies be set up
under USIB for program review. The NSC, in going over the
Group's recommendations, proposed this function be moved to the
DCI's Assistant for Coordination. The Group also noted that
differences in agency accounting systems made track keeping
difficult and urged USIB to refine techniques for cost and manpower

accounting by identifying which activities were properly intelligence in function and thus appropriately under the DCI and USIB.

In 1968 the Eaton Report noted the recent creation of the National Intelligence Resources Board and hoped it would be helpful to the DCI in evaluating information produced against the resources which produced it in order to arrive at some relative effectiveness rating to guide resource allocation. During the work of the Eaton Panel, several suggestions were made to high levels in Defense for greater community participation in Defense resource considerations, but these were rejected as unwarranted intrusions into Defense business.

The Bross Report in 1969 observed that no mechanism existed to control the four large resource programs in their totality, and that USIB resource-related committees had not been involved in resource matters beyond laying on requirements.

In some rather vague respects, the Executive Council for Defense Intelligence, suggested by Froehlke in 1969, might have served as a community management body since he proposed that it guide and participate in the formulation of resource programs and advise the Secretary of Defense on appropriate resource levels, allocations and the approval of programs, and since its membership included the DCI and the Scientific Advisor in addition to senior Defense officials.

The Fitzhugh Report of 1970 failed to address community management and concentrated on Defense management machinery. Schlesinger in 1971 noted that DCI efforts at management through NIPE and NIRB were resisted and generally ineffective and that USIB was likewise ineffective in a management role, but failed to specify an alternative community device that might work.

The President's Directive in November 1971 did, however, go to this problem by creating an Intelligence Resources Advisory Committee (IRAC), chaired by the DCI with senior members from Defense, State, OMB and CIA to advise the DCI on the preparation of the intelligence budget and the allocation of resources among programs. IRAC and its Working Group constitute today's community management device and are progressively filling out the role such a body must play.

3. A Single DOD Resource Manager

The need for a single central resource management
authority over the scattered Defense intelligence assets has
been mentioned in the Joint Study Group, HACIT, Eaton, Bross,
Froehlke, Fitzhugh and Schlesinger Reports. In 1960, however,
the Joint Study Group did comment on the need for an authorita-
tive focal point in USD and commented that the JCS, though
stronger by the Defense Reorganization Act of 1958, still was
unable to effectively impose management on the Services.
They recommended the Secretary of Defense make military
intelligence conform to that Act by establishing an authority
in the Office of the Secretary of Defense to review military
intelligence programs and by strengthening the JCS with more
resources and giving it authority over the intelligence activities
of the U&S Commands. The NSC called for implementing this
after study by the JCS, and there the matter rested for awhile.

The HACIT Report of 1968 noted DIA's inability to exercise
overall management of DOD intelligence assets because of a
shortage of management-trained officers and commented that
DIA's Consolidated Intelligence Program (CIP) lacked hard
criteria as to what should be included in it. Moreover, the
CIP was too detailed and onerous, requiring about 175,000
man hours to prepare required inputs. Management by resource
issue was proposed as a more effective method and attention
was urged to the developmental work on this theme being done
in ASD/Systems Analysis.

The Eaton Report in 1968 called for a central review in
Defense where all programs could be looked at as a whole,
otherwise the magnitude of the intelligence effort would reach
unacceptable proportions, and in the ensuing reductions, effective
resources could suffer along with marginal ones. The Secretary
of Defense should ensure that the Consolidated Cryptologic
Program (CCP) was properly reviewed, compared and subject
to a single decision procedure properly phased with the budget
cycle.

The Bross Report in 1969 cited as a most perplexing prob-
lem the provision for centralized review of the three large
Defense programs to ensure they were efficiently interrelated.
Control channels differed for each program, although the DCI

was involved in each and would be assisted by the NIRB. It was
generally conceded that the programs should remain the responsi-
bility of the Deputy Secretary of Defense, but he would need
a staff and a senior head of it to advise him. Making the Director
of DIA the review authority would involve his double loyalty to
the JCS and to the Secretary of Defense. Creating a full scale
ASD/Intelligence could set up a competitive substantive center
opposite DIA. Perhaps the best move would be to set up a
Special Assistant to the Deputy Secretary of Defense with a
small staff for resource matters with one of the early tasks
to make uniform the control by the Secretary of Defense over
all the program managers.

Mr. Froehlke, as ASD/Administration, went directly to
the problem by recommending to Mr. Laird that he name one
individual to act as the Special Assistant to the Secretary of
Defense to be responsible for intelligence resource management
and to act as adviser on all other intelligence matters. He
would make the trade-offs among the problems and act for
the Secretary in directing certain broad management activities
other than resources. He would not manage tactical resources,
but should be cognizant of them and their impact on national
resources. He would set up a Consolidated Defense Intelligence
Program (CDIP) for all Defense intelligence resources and
develop a Five-Year Intelligence Resource Plan for future
allocations. Mr. Froehlke got the job, and as he observed, it was
not a full-time one.

The Fitzhugh Report in 1970 found it necessary to observe
that there was little or no coordination of scattered Defense
intelligence activities leading to much duplication, waste and
overcollection of unusable information. The Panel called for
establishing a second Deputy Secretary for Operations and
making him the Secretary's agent in intelligence matters through
an ASD/Intelligence to serve also as Director of Defense Intelli-
gence. He would review all programs, evaluate activities
and recommend to the Deputy Secretary of Defense for Operations
on allocations.

The Schlesinger Report declared that in intelligence
management, ASD/Administration was proving ineffective
because he could not control all programs and was more absorbed
in administrative matters, and the Deputy Secretary was too busy

to devote much time to intelligence. He supported the Fitzhugh
Report in its call for a Director of Defense Intelligence, or an
ASD/I full time as a weaker alternative. The President's
Directive of November 1971 was notably nonspecific regarding
Defense intelligence, noting only that intelligence collection
programs (largely financed by Defense) must come under more
effective management and coordination with other intelligence
programs.

4. Long-Range Planning

Long-range planning has been slow in developing in the
intelligence community. Except for the Long-Range (15 year)
Plan directed by Admiral Raborn as DCI in 1965 and confined
to CIA, there have been no real plans made for any organization
or function. Papers called "Plans" exist all over, but they are
seldom more than assemblies of objectives and could stand
unchanged (and often do) for years. Certainly, nothing resembling
a community plan was attempted until late 1972, and that was
necessarily quite general in tone.

The Joint Study Group Report in its last chapter, "The Future,"
observed that intelligence was too often the handmaiden to current
operations to the detriment of long-term considerations. Atten-
tion should be paid to future troubles and future technological
developments. The community should set up arrangements for
planning its work and anticipating its problems as far ahead as
it can. Lyman Kirkpatrick, who chaired the Joint Study Group,
logically got the job five years later to put together the Raborn
Long-Range Plan for CIA in 1965. The plan projected interna-
tional situations as far ahead as it reasonably could and tried to
sketch out what these would require in CIA responses. It also
took note of internal Agency trends, projecting them out to where
decisions would be required or procedures adjusted; for example,
the probable mass retirement in the early 1970's of the first
generation of CIA and the manning and management problems
this would cause. The plan expatiated on the virtues of planning
and called for the setting up of a permanent planning staff.

During the late 1960's such planning as then was part of
the Planning, Programming and Budgets System (PPBS) set in
vogue under McNamara in Defense. This planning was essentially
short term (five years at best) and confined to a given agency,
practically by definition. The HACIT Report of 1968 only brushes
the planning idea, largely as necessary for resource issue study.

TOP SECRET

The Eaton Report later in 1965 urges the preparation of a long-
range National Intelligence Plan "to assure that effective
resources are available to meet the needs of the government."
It put planning in the DCI's community staff as a major function
to provide a base for DCI guidance to the community and to
resource program managers. For example, it urged that
planning for intercept needs in the 1970's be begun at once to
guide decisions on the closing of overseas stations. The Bross
Report in 1969, so comprehensive in other respects, was silent
on the planning function.

The Froehlke Report of 1969 urged a Five-Year Intelligence
Resources Plan to improve resource allocations by bearing
future needs in mind as a key responsibility for the Special
Assistant being proposed. Such a plan would strive to permit
early resource decisions (especially for long lead items),
explore the likely adequacy of resources against future need,
and analyze resource implications of future requirements. The
Schlesinger Report of 1971 notes that the absence of planning has
led to overemphasis on collection and intakes of volumes of
information beyond any prospect of being used, but fails to
specify the need for planning and the means to develop it. The
President's Directive of 1971 failed to assign planning as a
specific task to any of the organizations it established to support
the expanded role of the DCI.

5. Cross-Program Review

The concept of cross-program review is a recent develop-
ment. Most of the 1960's were taken up in trying to find out how
best to review a single program, and practice varied from very
detailed scrutiny (as with the CCP) to practically no review at all
(as with the NRP). Cross-program review became a reasonable
procedure only with the emergence in Mr. Froehlke's staff of a
resource authority, ostensibly over all programs, although it
took several years to "normalize" the NRO which refused even
to participate in the first such review in the summer of 1970.

One major block to cross-program review has always
been the great differences in accounting procedures among the
programs and the differing standards as to what is in and what
is out of each program. Some efforts at standardization have
been attempted--notably the Target-Oriented Display, its successor
the Consolidated Intelligence Resource Information System (CIRIS),
and the studies of a potential Intelligence Management Information
System (IMIS). As yet, no final solution has been found.

The HACIT Report in 1969 was vehement in detailing the
problems of working with the CIP of DIA, noting that an out-
side review of the CIP in 1966 had found it ineffective in cost
cutting--90 per cent of the reductions were cuts in sought
increases rather than cuts in ongoing costs--and in manpower
control. Moreover, the differences in cost structures between
the CIP and the Service and other budgets made ultimate track-
ing between program and budget line items virtually impossible,
especially Operations and Maintenance (O&M) which accounted
for 45 per cent of the program. Instead of the CIP, the report
suggested working through specific resource issues to get at
program problems. The Eaton Report noted briefly similar
problems with the CCP. The CDIP proposed by Froehlke to
enfold all three major Defense programs, has encountered the
same obstacles, but can transcend them by being content with
fairly large aggregations as building blocks.

Another problem in cross-program review is the identifi-
cation and selection of resource issues. In basic terms, this
means that, confronted with a hard Congressional or Presidential
ceiling on the total intelligence effort, where are cuts taken so
as to let some more useful or future-oriented project or opera-
tion grow and yet stay under the dollar or manpower limits?
This brings in the art of evaluation, and there has not yet been
developed a way to measure the value of information produced
versus the cost of its acquisition in a uniform way for all the
elements in all the programs. Systems have been proposed,
but none yet adopted to replace the subjective "feel" by partici-
pants in the cross-program review. This can lead to an impres-
sion of arbitrariness, especially by those whose projects are
cut, and reclamas are much resorted to.

The nature of the situation with which cross-program
review must contend is best described by Schlesinger. More
or less verbatim, his report says:

> In recent years the line between military and
> nonmilitary intelligence has faded; S&T intelligence
> is worked on by everyone; national and tactical
> intelligence are harder to separate; and technical
> advances have created new collection possibilities
> which do not fit into traditional divisions and are not
> covered by any uniform national policy. With no
> governing body over the community, the community

has resorted to compromises adversely affecting
cost and performance. The distribution of func-
tions is increasingly fragmented and disorganized.
Community activities have become dominated by
collection competition, which is unproductively
duplicative and accounts for 75 per cent of the
intelligence budget. Community members compete
for control and dominance based on collection
capabilities, leading to a great redundance of data.
Collection systems remain in operation beyond
their useful lives, and as they age, they drop from
national use and are taken over at command and
tactical levels where they continue to collect largely
redundant data. The community's growth has been
unplanned and unguided; resource decisions have
been made without serious forward planning; the
consumer fails to define his needs; the producer
encourages collection just in case; and the collector
emphasizes quantity of output over quality. There
are few attempts at interagency trade-offs and
comparisons. Budgetary control is no substitute
for centralized management.

6. Control of R&D

R&D decisions are peculiarly important and expensive.
With each approval of an R&D proposal, there is implicit
acceptance of the cost-tail reaching beyond it in testing, pro-
curements, training, deployment and ultimately replacement
and termination.

In 1960 the Joint Study Group took note of the absence of
R&D coordination, with overlapping projects being developed
without reference to one another, and recommended closer
Defense-CIA contacts on R&D proposals with intelligence uses.
In 1962 the Kirkpatrick-Schuyler-Coyne Report recommended that
CIA R&D be placed under the new Deputy Director for Research
for better control and economy, but that it drop control as a
project became operational; its personnel as scientists would be
relatively inexperienced at operations. The Long-Range Plan
of CIA in 1965 recommended that the Agency set aside 3 per cent
to 5 per cent of its budget for long-term research not to be
diverted by day-to-day technical requirements. The Bross
Report of 1969 noted the unique R&D position of CIA's Directorate
of Science and Technology where R&D could be focused entirely

on intelligence purposes, whereas in the Services, R&D could easily be diverted or subordinated to weapons ends. Froehlke put R&D funding and allocation under the Executive Council for Defense Intelligence to assure thorough review of all proposals for new systems. Fitzhugh gave this responsibility for consolidating and reviewing R&D to his proposed Director of Defense Intelligence.

7. Tactical Intelligence Resources

      Tactical intelligence resources under the military departments, the JCS and the U&S Commands and their component commands have been a difficult subject for years. During the Vietnam War, the Services took over, for tactical purposes, numerous systems and men budgeted for by NSA in the CCP as national resources. The Eaton Report weighed in against this practice and set the principle, repeated by Bross, that resources designated as tactical or used for tactical ends should be put in the general forces programs of the Services and kept there and budgeted in competition with weapons and other cost items in that program. Because of varying criteria for identification, the actual aggregate cost of tactical intelligence is virtually impossible to determine, although it is estimated to be about one-third of the attributed sum to national intelligence. Control of this vast aggregation is thus a most important matter.

      In the 1960's and earlier, it was unthinkable that the DCI should have any handle on tactical intelligence; this was clearly up to the JCS and the Services. As it has become more and more essential that intelligence be brought under fiscal control, attention has been drawn to the need for the DCI as the principal intelligence officer of the government to be able to speak for tactical, as well as national, resources and so this charge was put on him by President Nixon's Directive in 1971 and reiterated in President Ford's letter of October 9, 1974.

      The HACIT Report in 1968 in discussing DIA's Consolidated Intelligence Plan noted that the plan was blurred by the lack of firm criteria as to what should be included in it and that a number of tactical assets of use to national intelligence lay outside it and were thus not under DIA scrutiny for efficiency and duplication.

      As Eaton noted in 1968, the Services, for their part, were becoming increasingly concerned at the trend toward centralizing

in NSA functions traditionally performed for the Services by the SCA's. The civilian character of NSA did not add to the Services' confidence that these functions and resources could be depended upon in the event of a crisis or war. This was particularly true of Elint resources, which in many cases, are practically indistinguishable from those of Electronic Warfare.

The Bross Report in 1969 echoed the Eaton Report, but pointed out that the DCI and national intelligence agencies were in danger of losing control over assets for which they had budgeted and held responsibility. Bross called for criteria to be developed to give tactical commanders operational control over resources needed in operations while recognizing that distinctions between national and tactical were often artificial. In case of doubt, the choice should be to designate the resource as national.

The Froehlke Report had the proposed Special Assistant not responsible for tactical resources, but aware of them for their impacts on national intelligence. Fitzhugh narrowed "tactical" to resources organic to combat forces and also excluded them from the control of his proposed Director of Defense Intelligence, although he would have the authority to coordinate intelligence production which was organic to combat forces.

The Schlesinger Report in 1971 would have the Director of Defense Intelligence responsible for tactical, as well as national, resources. Schlesinger estimated that the DDI's review of tactical intelligence could save $12 million in 1972 and $200 million by 1975. The President in November 1971 said he would look to the DCI to provide judgments on the efficiency and effectiveness of all intelligence programs and activities (including tactical intelligence) and to recommend the appropriate allocation of resources to be devoted to intelligence.

Tactical intelligence resources are too numerous, diverse and scattered to be brought under supervision easily. Implementation of the DCI's new authority and responsibility for tactical resources will be a slow process.

D. Requirements

The roots of the requirements problem seem to lie in the
tendency of analysts to strive for virtual encyclopedic information
on the areas of their concern. In the absence of guidance from
consumers, the analyst, wishing to be able to answer any and all
questions on his topic, tends to ask collectors for much more
information than he can ever use but wants to have at hand just in
case. The aggregate effect of this is a virtually unmanageable
collection of requirements on the record but, because of their very
bulk, of little use to collection. The situation is aggravated by the
tendency of analysts to find it easier to put out another requirement
rather than search the files to see if the information is already
available.

The Joint Study Group observed in 1960 that there was no
mechanism to guide collection by selective levying of requirements
and evaluating the information returned. There was no single place
to check if the needed information was already available. There
were too many people in too many requirements mills. USIB's
Priority National Intelligence Objectives (PNIOs) were ineffective
and diffuse. Military requirements were heavily duplicative as among
the Services. There was no across-the-board coordination and no
central review or clearing house. The whole area of requirements
was severely undisciplined. The Study recommended that USIB set
up a central requirements facility and a program for uniform USIB
collection guides and country basis, leaving specific requirements
to the several agencies. It also recommended that military require-
ments be coordinated within Defense to reduce duplication and avoid
concentration on low-level targets.

The Cuban Missile Crisis Post Mortem in 1962 noted that, while
intelligence requirements were comprehensive, they failed adequately
to target the offensive aspects of the Soviet build-up and tended to be
too all-inclusive.

The CIA Long Range Plan in 1965 again urged tighter control
of requirements by USIB, noting that a continuing challenge over the
years has been the levying of requirements in a discriminating
systematic manner. This challenge could be met in part by the
application of systems analysis and cost-effectiveness techniques to
tighten the definition of what further information is needed in the light
of the cost of acquiring it.

The Cunningham Report of 1966 is entirely devoted to the requirements problem and is as valid today as when it was written. The principal findings of this Report were that CIA was collecting too much information and that, failing to get important information, it was flooding the system with secondary material. The volumes of information were degrading production, making the recognition of significant information more difficult in the mass of the trivial. There was no definition of what the Government really needed from intelligence and so the community operated on its own assumptions which tended to cover everything, again just in case. Efforts to establish priorities were a failure; there was no evidence that collectors would act any differently under a different ordering. Collectors would tend to get what was easy to get regardless of the priority or lack of it. The community had only the beginnings of a capability to correlate one collection system with another so each could concentrate on what it could uniquely do, and it had not even begun to distinugish between what was essential in information and what was merely nice to know.

As to the management of requirements, the Report declared that validation was haphazard and coordination imperfect. There was too little communication between analysts and collectors so that analysts could know what each collector was capable of, and requirements were issued with no attention to processing and analytical abilities to handle the information requested. The Cunningham Report, in an effort to bring requirements under some degree of control, set forth the following guidelines:

> define the Government's needs;
> challenge the community's assumptions;
> identify the most important gaps and prioritize them;
> reduce the volume of requirements;
> train the analysts to write fewer but better requirements;
> discriminate between the important and the trivial;
> record oral requirements;
> systematize the validation of requirements;
> improve analyst-collector communication;
> systematize operational support;
> analyze the true need for any new collection system;
> evaluate what has already been collected;
> stop covering the whole world superficially.

In 1968, the HACIT Report was quite critical of DIA's handling of requirements. DIA collection and management was by SICRs (Specific Intelligence Collection Requirement), verifying that an

information gap existed and that collection to cover it was feasible.
Validation procedures were not refined enough to prevent duplication,
and, because of inadequate data retrieval, validation depended on the
memory of the validator. SICRs are often too broad, are levied on
the wrong collector and subject to varying management at various
echelons. No criteria existed to balance the need for information
against the cost of getting it (a much repeated theme). The Eaton
Report in 1968 said much the same things as they applied to SIGINT.
The comprehensive Bross Report in 1969 was strangely silent on
requirements.

The Froehlke Report in 1969 touched lightly on requirements,
observing that there was no way to evaluate requirements in terms
of objectives. No one knew the minimum level of information that
would satisfy a requirement, but that resource limits would force
the community to collect at minimum levels so as to leave increasingly
scarce assets free to cover other needs. The Fitzhugh Report in
1970 also noted that more information was being collected than could
ever be used and that there was no procedure to evaluate the validity
of requirements, the effectiveness of collection production and the
value of the product.

The Schlesinger Report in 1971 observed that USIB's requirements
were too all-inclusive and that this robbed them of effect. This
situation hampered USIB's role in managing resources; it would be
difficult to press for reductions when standing USIB requirements
called for more resources than the community had.

The President's Directive of November 1971 assigned as one of
the DCI's four major responsibilities the reconciling of intelligence
requirements and priorities within budgetary constraints and charged
USIB to advise and assist the DCI in carrying out this responsibility.
President Ford's letter of October 1974 continues this charge on the
DCI: the annual consolidated program budget should consider the
comparative effectiveness of collection programs and the relative
priorities among intelligence targets.

E.   Collection

(This section makes no attempt to cover the large and
diverse field of collection; it only records past comments on
selected recurrent matters.)

1.   Evaluating Collection

The evaluation of collection systems is essential to the
management of the intelligence community, enabling managers
to identify marginal efforts for reduction or termination in
the event of a budget cut and to preserve the more productive
systems. Most intelligence is assembled, as Mr. Bross
observed, from a number of often tangential fragments of
information from a wide array of sources, and in the process
the relative contributions of the various sources become
virtually impossible to distinguish. This situation makes
coherent and consistent evaluation of collectors very difficult
and has impeded efforts to this end in recent years.

The need to evaluate collection emerges first in the CIA
Long Range Plan in 1965 where a call is made for the
application of cost effectiveness techniques and systems
analysis to requirements with consequent effect on decisions
to acquire new collection systems. .

The Cunningham Report in 1966 is more extensive in
discussing this problem. It noted that evaluation by analysts
was disorganized, wasteful and burdensome. The initiative
for evaluation often came from the collector to the analyst,
and the latter, not wishing to cut off a possible source of
data, tended to praise the collector and ask for "more of the
same," regardless of actual or potential need. As a result,
collectors acquired favorable "report cards," regardless
of true performance or the community's need for their
information in the light of other sources. In addition, certain
collectors resisted evaluation and were reluctant to risk their
systems or operations to comparison with others. As a
partial solution, the report recommended that more contact
be encouraged between analyst and collector and that analysts
become more aware of the costs of systems providing them
information. The report also observed that the variety of
information contributing to analysis and the arrival at a view
of a situation was so diverse as to make relative distinction
as to source contribution a matter of guess rather than

systematic judgment. In the absence of clear understanding
of what the Government needed from intelligence, evaluation
of sources' relevance to consumer needs was problematical
at best, in the absence of standards for system effectiveness.

While the Cunningham Report deals specifically with
collection evaluation, other reports treat it implicitly in
repeated expressions of need for some relative grading of
sources so the more effective can be identified and supported
and the less productive cut back when reductions are necessary.
The HACIT Report in 1968 commented that no criteria existed
for source evaluation or for balancing the cost of obtaining
information against the value of having it. The Eaton Report,
also in 1968, called for the DCI to make authoritative and
consistent determinations as to the effectiveness of sources
in satisfying intelligence needs as expressed in a National
Intelligence Plan. These determinations and derived DCI
guidance should provide a basis for decision as to what resources
should be reduced, expanded, or replaced with new systems.

The Froehlke Report in 1969 set as one major objective a
mechanism for making comparisons among programs toward
developing the most efficient intelligence system, implicitly
based on some means of distinguishing the productive collector
from the less so. The Fitzhugh Report in 1970 also noted the
absence of any effective mechanism to allocate collection
resources for the most economical collection effort or to
evaluate the effectiveness of collection and production.
Throughout the Schlesinger Report, the inability of the com-
munity to identify and promote the effective collectors and
reduce the ineffective is pointed to as an example of manage-
ment shortcoming requiring change and correction. The
consumer fails to define his needs, the producer encourages
collection just in case, and the collector emphasizes quantity
over quality. The emphasis on collection as the key to success
downplays production and analysis and output is guided by
collection and technology.

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3. Expansion of Overt Collection

Overt collection seems often to be overlooked in the emphasis on clandestine and technical collectors, but overtly acquired information is the bedrock of much intelligence analysis. The Joint Study Group urged greater use of FSOs, Attaches and contacts with U.S. business with interests abroad to increase the flow of this useful data and hoped that MAAGs could also be encouraged by the JCS to use their accesses for

25X1   intelligence purposes.

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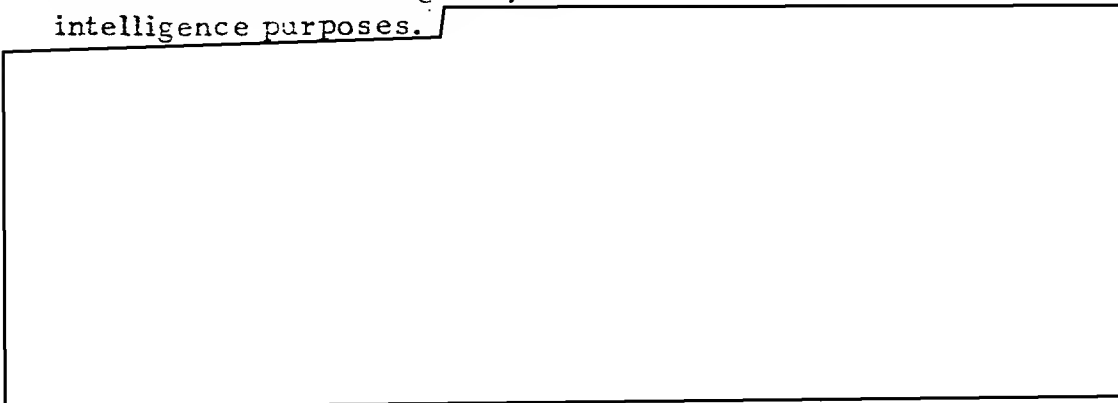
F. Production

1. The Information Explosion

Technical advances in collection over the past decade and a half, particularly in imagery, have created floods of information with no proportional increase in analytical personnel to use it all--and this is likely to be compounded with the advent of real-time imagery.

The Joint Study Group in 1960 made little reference to any information explosion; satellite imagery was still a few years away and the exponential increase in data had not yet begun. By 1965, however, the Long Range Plan of CIA took account of the technological revolution which was producing great amounts of information on capabilities but very little on intentions, noting that the ability to process and analyze all this data was by no means able to keep up, particularly in the case of NPIC. As was so often the case in the mid-60's, Automatic Data Processing (ADP) was looked to for solutions, and the Plan, noting expenditures of [   ] for collection and only [   ] on ADP, urged sizeable increases in the ADP effort under an Agency-wide plan.

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The Cunningham Report in 1966 criticized the ethic of the Long Range Plan for its "More is Better" emphasis and rejected the implicit idea that anything can be solved by adding more facts. We were hypnotized by statistics and bits of information, particularly in the military and academia. The problem, as Cunningham saw it, was that once we developed a collection capability we used it, and it acquired a momentum of its own, controlling us, rather than vice versa. For example, the programming of photo-satellite launches was more governed by the need for more photography. In information communications, where CIA was handling [   ] messages in 1950, it was handling [   ] in 1965, an increase of [   ] times. And all this data was multiplied many times over by the indiscriminate use of xeroxes everywhere. The great problem was to determine what to store and retrieve by ADP, and this would have to be derived from some new and rigorous definition of what intelligence was all about and for. The unmanaged state of intelligence had led to a huge proliferation of paper--"[   ]

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published in [   ] each year." Analysts were
becoming superficial because of the piles of paper in their
in-boxes, and any analysis in depth was becoming out of the
question. The belief that we had to cover the whole world
was leading to further superficiality and simplistic analysis,
and, moreover, much effort was being applied to topics
and situations the U.S. was unwilling or powerless to do
anything about. Much of what intelligence considered its
responsibilities were our own response to vague guidelines
or transient indications of interest at top levels. More and
more, the community was talking to itself.

In 1967, the Shute Report, in examining the warning
potential of new technical collection systems on the drawing
boards, warned that information floods of unimaginable
proportions could be expected which could make the search
for indications of hostile intentions even more difficult.

In 1968, the HACIT Report strongly criticized the DIA
Minicard data storage and retrieval system as being too slow,
poor in coding and poor in reproducing documents as needed.
This was no help to analysts in coping with the streams of
documents crossing their desks. Furthermore, there was less
and less compatibility among DOD document systems.
Inadequate retrieval affected the overall effectiveness of
intelligence and only accelerated the information explosion.
If it were impossible to know what data is available, there was
no ground to deny a requirement for collecting more of the
same. Distrusting central files, analysts set up their own
in a duplicative and wasteful manner, and, because of the
incompatibilities among systems, become more and more tied
to one data base or only a fraction of it.

The Eaton Report in 1967 and the Bross Report in 1969
made some scattered references to the information explosion,
Bross tentatively proposing a limit on the number of publications
circulated outside the producing department or agency in
order to cut down the flow of paper about the community.
The Fitzhugh Report in 1970 observed that the imbalances
in allocating resources were leading to much more information
being collected than could ever be used, and the tendency
of the community to produce intelligence for the community
was only aggravating the paper problem.

The Schlesinger Report in 1971 noted that there had
been a great increase in information collected but little
improvement in uncertainty over foreign intentions,
doctrines or political processes. Raw information was
becoming proxy for analysis, inference and estimation.
There was a pressing need for fundamental reform in the
community's decision-making bodies and procedures. The
emphasis on collection as the key to success downplays
production and analysis, production became a stepchild,
analysts were swamped with data and output was guided by
collection technology. In this atmosphere, hypothesis
hardened into dogma and fresh thinking was discouraged.

2. Improving the Product

    Improving the intelligence product has been a continuing
concern of intelligence officers at all levels, but the authors
of some of these studies evidently felt that not enough progress
was being made. Although, as noted above, many deficiencies
were attributed to the information explosion, there were
other ideas about what was wrong.

    The Kirkpatrick-Schuyler-Coyne Report of 1962 noted the
need to impose some form of control and recommended that
all CIA material going to the White House be channeled
through a focal point in the DDI. State Department had been
unhappy at the dissemination to the White House of uncoordinated
memoranda by CIA production offices, and charged that,
while these papers were represented as "think pieces," they
were actually influencing policy and should be reviewed by
other agencies. The HACIT Report in 1968 noted that DIA
production was often delayed or watered down by problems
of resolving inter-Service differences of view but proposed
no solution.

    The Schlesinger Report in 1971, noting the continuing
uncertainty about foreign intentions despite the great increase
in information collected, called for the refinement of evalua-
tion and improvement in political estimates so as to be more
responsive to consumer needs. Improvement could come
from a coherently reorganized community, and the following
steps could improve the usefulness of the intelligence product:

--provide for a major consumer representation
in the intelligence community with a restructured
USIB or a Consumer Council;

--put the responsibility for quality control and
product evaluation in the producing agencies;

--upgrade analytical centers to provide for more
competition of ideas, and specifically improve
DIA's ability to compete with CIA's military
intelligence;

--provide for a review of production by outsiders,
with specific references to hypotheses and
working methods;

--establish a Net Assessments Group at the national
level to question community hypotheses;

--provide incentives to attract and encourage good
analysts, better career opportunities and ways
to retain good analysts as analysts regardless
of their grade levels;

--improve research into new analytical methodologies.

The leadership of the community must be charged with
product improvement as a matter of the highest priority.

The President's Directive of November 1971 took much the
same tone: "The need for an improved intelligence product
and for greater efficiency in the use of resources allocated to
intelligence is urgent." It called for improvement in the
quality, scope and timeliness of the community's product.
The NSCIC established by the directive was to give direction
and guidance on national substantive intelligence needs and
provide a continuing evaluation of intelligence products from
the consumer viewpoint. The directive also proposed that
resources devoted to analysis and production should increase,
analyst personnel should be upgraded and there should be
more rewarding analyst careers, including the opportunity
to reach high salary levels while remaining an analyst. The
DCI was charged with preparing a comprehensive program
focused upon improving the intelligence process and product.

The Ford letter of October 1974 reiterated the charge
that the DCI should insure that our intelligence is of the
highest quality attainable--that it supports the planning for
and the conduct of U.S. foreign policies and military operations.

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3. <u>Basic Substantive Research</u>

It has been a long-standing view of observers of the
intelligence community that the emphasis on currency
and response to events was undermining the foundations
of good intelligence in thoughtful, thorough basic research.
As early as the Kirkpatrick-Schuyler-Coyne Report of
1962, concern was expressed at the inadequacy and diffusion
of research on international communism, and it was
recommended that, since a failure in this area would fall
on his shoulders, the DCI should look into the situation.
This was repeated in the CIA Long Range Plan of 1965, calling
for increased political research for the prognosis of communist
political capabilities and intentions. The Shute Report in
1967 noted the need for specialized research by the NIC or
elsewhere designed to improve the precision and currency
of indicators of hostile enemy intentions.

The Bross Report of 1969 took note of the general
impression that research in CIA was inadequate, diffused and
too short-term and that there was a lack of a solid research
base in political and social matters which had been blamed
for analytical insensitivity to certain trends and to the
"cosmic" issues of population, poverty, pollution, etc.
The work of the Special Research Staff of the DDI was
primarily concentrated on deep historical research into the
Soviet and Chinese political systems, but their papers tended
to be long, detailed and scholarly in a diffident way and
almost entirely used by fellow analysts. In general, the
concentration on current problems was eating up the research
base built up over past years, leaving us with scant resources
to face the problems of the future or to exploit new
analytical techniques. He called for a thorough review
looking to a proper deployment of research tasks in-house,
external in the community, or to academic and think-tank
facilities.

4. <u>Strategic Warning and the National Indications Center.</u>

In view of the fact that providing strategic warning is,
or ought to be, the primary task of the intelligence community,
the relative lack of discussion of warning in the reports
reviewed is somewhat surprising.

The Joint Study Group in 1960 recommended USIB review the status of the NIC and the level of its staffing, which was felt to be too small, and ensure that it received all the information it needed, regardless of sensitivity or operational character. The Kirkpatrick-Schuyler-Coyne Report of 1962 gave considerable space to the NIC and Watch Committee, noting that opinions on the NIC varied from a desire to abolish it to general satisfaction with it. The idea was advanced that the NIC and/or its function should be transferred to DIA with representation from USIB agencies assigned there. Even then, there was pressure for restoration of State participation which had been withdrawn for budgetary reasons around 1960. The Long Range Plan of 1965 called for more research in indications and exhortation to analysts in general to pay attention to indications in the traffic they scanned.

The Shute Report of 1967 dealt exclusively in depth with the warning function and is too diverse and comprehensive in its findings to be usefully discussed here. A digest of the Report is an annex to this report.

The Bross Report in 1969 called for a recommendation of the duties and responsibilities of the Watch Committee. The Committee should look to improving NIC operations, including the use of ADP and modern analytic techniques, and a decision should be reached as to whether the NIC should be transferred to OCI in CIA or to DIA for closer contact with the National Military Command Center.

5.   Compartmentation and Its Effects

The dilemma between protecting sensitive information and sources and making use of them is an old and continuing one. Even as early as the Joint Study Group Report in 1960 it was observed that the arbitrary barriers between SIGINT and other forms of intelligence were impeding full use of the SIGINT product and the Report recommended that compartments should be reduced since they only draw attention and do not add to security. The best solution would be to increase integration of all levels of information and take steps to increase security on all intelligence matters. The particular circumstance of a shortage of translators and the unclearability of foreign-born persons under current regulations

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was urgently in need of rectification. USIB was urged
to review existing compartmentation to develop uniform
regulations and ensure that vital information would get
to the right people.

The Kirkpatrick-Schuyler-Coyne Report in 1962 took
note of the extraordinary security applied to certain
messages, such as those from the President to and from
Khrushchev, and urged the DCI to take up with the President
directly the need to see all pertinent sensitive messages
dealing with foreign affairs which could affect intelligence
operations or views. Contrastingly, the Cuban Missile
Post Mortem observed that the limitation on the publication
(in the August-October 1962 period) of information on Soviet
offensive weapons systems in Cuba kept action controls in
the highest policy circles and gave policy makers more
freedom to arrive at decisions and to initiate actions.

Cunningham in 1966 also observed that the emphasis
on compartmentation was impeding the proper and selective
tasking of collection toward one information goal. The
Clandestine Services, for example, were generally unaware
of what technical collection--SIGINT and overhead reconnaissance--
could and did collect and not infrequently used their assets
unnecessarily to collect what already had been acquired.
The Shute Report in 1967 stressed the need in the warning
process for information on U.S. policies and operations
which could prompt Soviet reaction and noted that, while
furnishing of such information was provided for by NSC
Directive, the rule was far more honored in the breach than
in the observation.

Froehlke in 1969 made quite a point of the community's
tendency to overclassify. One of his major objectives was
to improve the flow of intelligence by realistic security policies
in order to reduce overclassification and overcompartmentation
of information. This would require coordination with the DCI
and all elements of the community. Overcompartmentation
could deny necessary information to those charged with
reviewing intelligence programs. The Fitzhugh Report took
note that there were three major special systems and many

programs to protect sensitive information, each managed
by a different organization jealously guarding access to
its information. This impeded judgment on the need to
exploit versus the need to protect sensitive information.
The report urged a review of these inhibiting procedures
to bring about freer information flow. The Schlesinger
Report in 1971 also held the view that compartmentation within
security systems hid or obscured comparable capabilities
from evaluation, comparison and trade-off analysis.

G. Consumer Feedback

Few topics have received as much mention or have been represented as such a powerful solution to community problems as better consumer feedback or guidance to the community's activities. Great improvements in community management, economies, focusing of resources and pertinence of production have been attributed to any means of obtaining clearer perceptions of what the Government really needs from the intelligence community.

The CIA Long Range Plan in 1965 spoke of the need for more and more frequent briefings of the Congress and non-security agencies of the Executive Branch to expand the Government's awareness of what the community could do for decision makers.

The Cunningham Report on requirements in 1966 laid considerable blame for the volumes and disarray of requirements to the failure of consumers and the Government in general to define what was needed from intelligence, and the report observed that, in the absence of such guidance, the community tended to try to cover all possible future questions by asking for answers in advance, just in case. The first Cunningham guideline was to define the Government's needs, and the remainder of his guidelines (see Section D) seem to flow from that. Without a determination of what was essential to consumers, middle levels of management were free to order massive and indiscriminate coverage, especially in the military. As the Cunningham Report put it, the community's disease was not indigestion but gluttony. Much of what the community was doing was in response to vague guidance or transient interest, but in most of its work the community was talking to itself. Leaders had been habituated to high expectations but now needed to be persuaded to let the community serve them better by concentrating on crucial problems and fundamentals and not on the incidental or trivial.

The Fitzhugh Report in 1970 noted the tendency of the community to produce intelligence for itself and to ignore the requirements of those with valid needs for support. The basic objective of the community should be to get the right information to the right people at the right time. At the same time, this report commented that there did not seem to be any effective mechanism for intelligence users to express their needs. As a result the Defense intelligence community appeared to function largely in response to its own require-

ments and those from elsewhere in the national intelligence
community. The Fitzhugh Report called for periodic assessments
of the value of the Defense intelligence product to users outside
the Defense Department.

The Schlesinger Report was even more forceful on the subject
of consumer guidance. It observed that the community's growth
had been unplanned and unguided; the consumer had failed to define
his needs; the producer encouraged collection just in case; and
the collector emphasized quantity over quality. Part of USIB's
ineffectiveness lay in its inability to reflect consumer guidance to
the community because no representatives of consumers sat on the
Board. The Report called for major consumer representation in the
community either through a restructured USIB or through a Consumer
Council to question community views and help shape the intelligence
product to best answer consumer needs.

The President's Directive of November 1971 demanded that
the responsiveness of the U.S. intelligence effort to national require-
ments be subject to continuing review. A more effective review of
intelligence product quality and policy must be provided to the DCI,
especially by high-level national consumers. The Directive established
the National Security Council Intelligence Committee to give
direction and guidance as to national substantive needs and provide
continuing evaluation of substantive products from the viewpoint of
the consumer. Other changes in the consumer-producer relationship
might be needed to achieve a more effective reconciliation of
consumer demands with the limited resources available for intelligence
production.

Improvement in the scope and precision of consumer guidance to
the production process would seem to be fundamental to tightening
up the management of all intelligence processes.

H.   The Clandestine Services and Covert Action

(Nearly every report reviewed for this study, especially those dealing with CIA or originating there, made some mention of the Clandestine Services and covert action. This section addresses a few of the more frequently discussed topics.)

1.   Coordination and Direction

The Joint Study Group Report of 1960, regarding coordination, merely noted that clandestine collection should be carefully coordinated with other types of collection so as to make the most effective use of clandestine assets. The CIA Long Range Plan of 1965 stressed that the Clandestine Services (CS), which could expect to be called on for more operations as Communist subversion increased, needed to operate in CIA in greater clandestinity and isolation to preserve its effectiveness. [   ] new positions would be needed for the CS in the next five years to enable the CS to carry anticipated loads.

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The Katzenbach Report of 1967 traced the covert action policy of the U. S. Government from 1947 on in its Appendix C, beginning with NSC Directive 4A of December 1947 directing the DCI to undertake covert action and to ensure that operations were consistent with U.S. policy through liaison with State and Defense. The definition of covert action was subsequently progressively refined through NSC directives, and a succession of review and coordination bodies were set up, starting with the NSC 10/2 Panel in 1948, and going on through the Psychological Strategy Board in 1951, the Operations Coordination Board in 1953, the 10/2 Panel again and finally in 1955 the 5412 Committee, later known as the 303 Committee and then the 40 Committee. Throughout this history the criterion for submitting projects for review was the political sensitivity of the proposal or, on occasion, the amount of funding involved. Since the 303 Committee or Special Group was set up, participation in covert action (CA) approval has expanded, and approval has been no mere formality--many projects have been turned down for a variety of reasons. And the views of the Ambassador in the country where the project is to be run are most influential.

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The Lindsay Report of 1968, an extensive treatment
of the Clandestine Services and covert action, observed
that CIA did not need additional supervisory control in
these activities but rather stricter standards applied
internally. Superimposing more Congressional committees
would be unlikely to do much good and could do harm.
But CIA did need high standards of professional clandestinity,
consideration of overt alternatives, restraint on self-
generated projects, early consideration of ways and times
for project termination, and close evaluation of risk and
disaster plans if an operation were exposed.

The Lindsay Report, which was addressed to the
President-elect in December 1968, noted that covert action
by the U.S. had come under increasing public scrutiny and
that operations, acceptable in the cold war years of the
Fifties, were now more subject to criticism. A review of
the whole scope of community activities should be made
because of its size and the political risks it posed for the
Government. The President should be quickly informed of
critical aspects of covert operations and should inform
himself of their benefits, costs and controls. The President
has the right to expect CIA to recommend against projects
with a high risk of disclosure and to keep secret the activities
it has been instructed to carry out. The application of rigid
security would reduce substantially the number and scope
of CIA covert operations and this would reduce risks of
exposure and Presidential problems with Congress and the
public.

Related to the matter of the direction and control of covert
action is the question of where the covert action organization
should be located. Through the years numerous proposals
have been made to separate the CS and covert action from
the rest of CIA. The Bross Report in 1969 noted that it would be
unlikely that the CS could function effectively under State,
nor would the public be served by putting the CS under Defense.
Neither State nor Defense would tolerate a covert arm being
established in the other. The report concluded that CIA was
appropriately staffed, experienced and competent to perform
clandestine functions under well-established policy controls
at the highest levels of government. No conceivable benefit
could result from the transfer of this function elsewhere.
Dealing with proposals to separate covert action from
espionage and counterintelligence, the Bross Report maintained

that such a separation proved calamitous for the [   ] and the lesson is to keep the CS and covert action as close together as possible since they were inextricably connected, often used the same assets and must be prevented from tripping over each other. Altogether, separation of covert action from the CS would be extremely unwise.

This view is shared in the Lindsay Report of 1968. Covert operations should be handled by the same agency which handles clandestine collection; separation would be a mistake. Moreover, it would also be a mistake to separate the CS from the analytical and estimating functions of CIA. The President needs a single source for both collection and analysis and an independent check on estimates prepared by other departments to defend their budgets.

As to the authority of the DCI, the Bross Report calls for the DCI to assert more aggressively the coordinating authority of NSCID 5. He should require, in addition to assurances of no great risk, some positive evidence of value and gain, with such judgments being made by a group not exclusively in the Directorate of Plans.

2. Military Clandestine Operations
    The Joint Study Group Report in 1960 declared that military clandestine operations must be considered with national policy requirements and called for the military, particularly the Army, to improve their clandestine capabilities. There was no view that CIA should pre-empt all clandestine collection; the military clearly required clandestine operations of their own in time of war, but their professionalism needed improvement. The Army felt that CIA was working on only high-level targets and was trying to take over all clandestine collection; CIA felt the Army was competing for a limited number of assets and it had no great confidence in the Army's operating abilities. The Report also noted that the Air Force was ready to turn over its assets to CIA and that the small Navy effort was no problem.

The HACIT Report of 1968 observed that the Services insisted on having clandestine collection assets, but none of these were operating in denied areas, and nothing was being done about stay-behind operations. It noted that human

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collection had been planned to exhaustion but little had
been done in practice. The otherwise quite comprehensive
Lindsay Report was silent on military clandestine operations.
The Bross Report in 1969 noted that one major unsettled
problem at that time in regard to allocations of responsi-
bility was the decision by Defense to embark on a national
espionage program which could, if it became as powerful
as the Soviet GRU, become a complicating factor. Its
emergence reinforced the need for close coordination of
clandestine collection under central authority. The
Schlesinger Report only noted that the transfer of Defense
clandestine operations to CIA could yield a savings of [   ]
in 1972 and around [   ] by 1975.

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3. Cover

4. Counterintelligence

The Joint Study Group dealt briefly with counterintelligence
in a short observation that too little attention was being paid
to it and that it was essential for the development of clandestine
capabilities. The DCI and USIB were urged to give it strong
consideration. This is the only recognizable reference to
this important topic in the whole array of reports reviewed.

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GLOSSARY OF ABBREVIATIONS

ADP	Automatic Data Processing
ASD(I)	Assistant Secretary of Defense (Intelligence)
CA	Covert Action
CCP	Consolidated Cryptologic Program--the resource program managed by the Director, National Security Agency
CDIP	Consolidated Defense Intelligence Program--the aggregated Defense resource program comprising the CCP, the GDIP and the NRP, and managed by ASD(I)
CIA	Central Intelligence Agency
CIP	Consolidated Intelligence Program--the former name of the resource program managed by the Director, Defense Intelligence Agency--now called the General Defense Intelligence Program
COMINT	Communications Intelligence
CS	The Clandestine Services (of CIA)
CSS	Central Security Service
DCI	Director of Central Intelligence
DCID	Director of Central Intelligence Directive
DDI	Deputy Director for Intelligence in CIA
DDI	Director of Defense Intelligence (in the Froehlke and Fitzhugh Reports)
DDR&E	Director of Defense Research and Engineering
DIA	Defense Intelligence Agency
DOD	Department of Defense
ELINT	Electronic Intelligence
GDIP	General Defense Intelligence Program of DIA
HACIT	House Appropriations Committee Investigative Team (1968)
INR	Bureau of Intelligence and Research, Department of State
IRAC	Intelligence Resources Advisory Committee
JCS	Joint Chiefs of Staff
NIC	National Indications Center
NIPE	National Intelligence Programs Evaluation
NIRB	National Intelligence Resources Board
NPIC	National Photographic Interpretation Center
NRO	National Reconnaissance Office
NRP	National Reconnaissance Program, managed by the Director, NRO
NSA	National Security Agency

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GLOSSARY OF ABBREVIATIONS (con't)

NSC	National Security Council
NSCIC	National Security Council Intelligence Committee
NSCID	National Security Council Intelligence Directive
OMB	Office of Management and Budget
PFIAB	President's Foreign Intelligence Advisory Board
PI	Photo interpretation or photo interpreter
SCA	Service Cryptologic Agencies--collective term for the Army Security Agency, Air Force Security Service and Naval Security Group
SIGINT	Signals Intelligence--collective term for communications intelligence and electronic intelligence
U&S Commands	Unified and Specified Commands
USIB	United States Intelligence Board

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